

# Basel Committee on Banking Supervision

LEV

Leverage ratio

LEV10

Definitions and application

**Version effective as of  
01 Jan 2023**

Reflects revised standardised approach introduced in the December 2017 Basel III publication (including the revised implementation date announced on 27 March 2020) and removal of internal model approaches.



BANK FOR INTERNATIONAL SETTLEMENTS



## Scope of consolidation

- 10.1** The leverage ratio framework follows the same scope of regulatory consolidation, including consolidation criteria, as is used for the risk-based capital framework.<sup>1</sup> This is set out in the [SCO](#) standard.

### Footnotes

- <sup>1</sup> *For example, if proportional consolidation is applied for regulatory consolidation under the risk-based framework, the same criteria shall be applied for leverage ratio purposes.*

- 10.2** Where a banking, financial, insurance or commercial entity is outside the scope of regulatory consolidation, only the investment in the capital of such entities (ie only the carrying value of the investment, as opposed to the underlying assets and other exposures of the investee) is to be included in the leverage ratio exposure measure. However, investments in the capital of such entities that are deducted from Tier 1 capital as set out in [LEV30.3](#) may be excluded from the leverage ratio exposure measure.